

ARTICLE 342

Local Economic Revitalization Tax Assistance

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CROSS REFERENCE

Resolution 10,051 passed 11/13/84; Resolution 10,365 passed 5/27/86.

Local Economic Revitalization Tax Assistance Act - See 72 P.S. §4722 et seq.

342.01 DEFINITIONS.

(a) As used in this Ordinance, the following words and phrases shall have the meaning set forth below:

- (1) "Becomes assessable" means immediately following issuance of the state and local occupancy permits.
- (2) "Deteriorated area" means that portion of the City which City Council has determined to be physically blighted in Resolution No. 2012-166 pursuant to Ordinance 2012-28 and Act 76 of 1977 of the General Assembly of the Commonwealth of Pennsylvania, as amended (72 P.S. 4722 et seq.) and/or Resolution 2016-180 passed September 6, 2016 pursuant to Ordinance 2016-23 which amends Ordinance 2012-28, and Act 42 of 1977 of the General Assembly of the Commonwealth of Pennsylvania, as Amended (72 P.S. § 4711-101, et seq.).

(Editor's Note: See Resolutions Nos. 10,051, 10,366, 10,487, 10,863, 11,430, 11,547, 13,043, 13,462, 13,501, 15,163, and 2012-166 for prior boundaries of the deteriorated area.) (Ord. 4446. Passed 10/16/07; Ord. 2012-28. Passed 10/2/12; Ord. 2016-23. Passed 9/6/16)

- (3) "Deteriorated property" means any industrial, commercial or other business property owned by an individual, association or corporation, and located in a deteriorating area, as provided by Resolution of Council, or any such property which has been the subject of an order by the City requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinance or regulations. Buildings wherein at least 30% of the usable gross floor area is utilized for industrial, commercial, or business use shall, if otherwise qualified, be considered a "deteriorated property" within this Article.
- (4) "Improvement" means the construction of new building structures, new additions to existing structures or substantial renovations to existing structures which result in an increase in assessed valuation of the deteriorated property. Such improvements shall have the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.
- (5) "Local taxing authority" means the City of Bethlehem, the Bethlehem Area School District, the Saucon Valley School District, the County of Northampton, or any other governmental entity having the authority to levy real property taxes within the City of Bethlehem. (Ord. 3355. Passed 10/16/90; Ord. 3523. Passed 1/5/93; Ord 4446. Passed 10/16/07.)
- (6) "Municipal governing body" means the City of Bethlehem.

342.02 EXEMPTION AMOUNT.

(a) The amount to be exempted shall be limited to that portion of the additional assessment attributable to the actual cost of improvements.

(b) The exemption shall be limited to that improvement for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Northampton County Board of Assessment Appeals. (Ord. 3355. Passed 10/16/90; Ord. 4446. Passed 10/16/07.)

342.03 EXEMPTION.

Subject to the conditions, requirements, and limitations set forth in this Ordinance, taxpayers making assessable improvements to deteriorated property located in the deteriorating area may apply for and may be granted a real estate tax exemption limited to the amounts in Section 342.02 above subject to the following schedule:

(a) For the first year immediately following the date upon which the improvement becomes assessable, 100% of the eligible assessment shall be exempted.

(b) For the second year immediately following the date upon which the improvement becomes assessable, 90% of the eligible assessment shall be exempted.

(c) For the third year immediately following the date upon which the improvement becomes assessable, 80% of the eligible assessment shall be exempted.

(d) For the fourth year immediately following the date upon which the improvement becomes assessable, 70% of the eligible assessment shall be exempted.

(e) For the fifth year immediately following the date upon which the improvement becomes assessable, 60% of the eligible assessment shall be exempted.

(f) For the sixth year immediately following the date upon which the improvement becomes assessable, 50% of the eligible assessment shall be exempted.

(g) For the seventh year immediately following the date upon which the improvement becomes assessable, 40% of the eligible assessment shall be exempted.

(h) For the eighth year immediately following the date upon which the improvement becomes assessable, 30% of the eligible assessment shall be exempted.

(i) For the ninth year immediately following the date upon which the improvement becomes assessable, 20% of the eligible assessment shall be exempted.

(j) For the tenth year immediately following the date upon which the improvement becomes assessable, 10% of the eligible assessment shall be exempted.

(k) After the tenth year the exemption shall terminate.

(l) The exemption from taxes granted under this Ordinance shall be upon the property and shall not terminate upon the sale or exchange of the property.

(Ord. 4446. Passed 10/16/07.)

342.04 NOTICE TO TAXPAYERS.

(a) There shall be placed on the form application for building, zoning and alteration permits the following:

NOTICE TO TAXPAYERS

Under the provisions of City Ordinance No. 2959, as amended, you may be entitled to a property tax exemption on your contemplated new construction. An application for exemption may be secured from the City of Bethlehem and must be filed with the City at the time a building permit is secured.

(b) At the time a building permit is secured for construction upon an existing deteriorated property for which an exemption is requested, the taxpayer shall apply to the City of Bethlehem or any successor agency thereto for the exemption provided for in this Ordinance. The taxpayer shall be permitted to apply for the exemption provided in this Ordinance up to a period of sixty (60) days from the date a final executed building permit is secured. Request for the exemption must be in writing certified in full as prescribed by the City setting forth the following information:

- (1) The date a final executed building permit was issued for said improvement.
- (2) The type of improvement.
- (3) The summary of the plan of the improvement.
- (4) The cost of the improvement.
- (5) That the property has been inspected and verified by the City of Bethlehem, Bureau of Inspections.
- (6) Any or all such additional information the City may require.

(Ord. 3355. Passed 10/16/90; Ord. 4446. Passed 10/16/07.)

342.05 PROCEDURE FOR OBTAINING EXEMPTION.

A copy of the request for exemption shall be forwarded to the Northampton County Board of Assessment Appeals and the Bethlehem Area School District or the Saucon Valley School District as would be applicable by the City. Upon completion of the improvement, the taxpayer shall notify the City and the Northampton County Board of Assessment Appeals, so that the Board may assess the improvements separately for the purpose of calculating the amount of assessment eligible for tax exemption in accordance with the limits established in this Ordinance. The City will then obtain from the Board the amount of the assessment eligible for exemption and will notify the taxpayer. The Treasurer is authorized to make refunds, if applicable, only after the Northampton County Board of Assessment Appeals has notified the Treasurer of its separate assessment upon the improvement for which an exemption is requested. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer of the City as provided by law. (Ord. 3355. Passed 10/16/90; Ord. 4446. Passed 10/16/07.)

342.06 TERMINATION.

(a) This ordinance shall terminate on December 31, 2017 for the first defined LERTA area adopted on October 2, 2012 pursuant to Resolution No. 2012-166 and Ordinance 2012-28

(b) This ordinance shall terminate on December 31, 2022 for the deteriorated area(s) adopted on September 6, 2016 pursuant to Resolution No. 2016-180 and Ordinance 2016-23.

(c) No later than the above-respective termination dates, the Mayor of the City of Bethlehem shall submit a written report to the Council of the City of Bethlehem which shall inform the Council as to how this Ordinance has been administered, the effects of this Ordinance on the community and include any suggestions or recommendations for this Ordinance's reenactment, modification or repeal.

(d) Nothing contained herein shall act to prohibit the Council of the City of Bethlehem from enacting a similar ordinance after December 31, 2017 or December 31, 2022.

(e) Any property tax exemptions granted under the provisions of this Ordinance shall be permitted to continue according to the exemption schedule found in Section 342.03, unless any such property tax exemption is rescinded in accordance with the default provisions of this Ordinance, even if this Ordinance expires or is repealed.

(Ord. 3069 §3. Passed 5/27/86; Ord. 3205. Passed 8/2/88; Ord. 3355. Passed 10/16/90; Ord. 3519. Passed 12/15/92; Ord. 3642. Passed 11/1/94; Ord. 3771. Passed 10/1/96; Ord. 3905. Passed 10/6/98; Ord. 4042. Passed 11/21/00; Ord. 4172. Passed 12/23/02; Ord. 4278. Passed 10/5/04; Ord. 4406. Passed 12/5/06; Ord. 4446. Passed 10/16/07; Ord. 2008-42. Passed 12/16/08; Ord. 2010-26. Passed 12/7/10; Ord 2012-28. Passed 10/2/12; Ord. 2016-23. Passed 9/6/16.)

342.07 HEARING BOARD.

A Tax Abatement Hearing Board shall consist of the Business Administrator of the City of Bethlehem, the Director of the Department of Community and Economic Development of the City of Bethlehem, the Director of Fiscal Affairs of the County of Northampton, the Assistant to the Superintendent for Finance and Business Administration of the Bethlehem Area School District and the Business Manager of the Saucon Valley School District, for resolution of differences between the approving authority and the owner-taxpayer of the improved property on matters concerning interpretation and execution of the provisions of this Ordinance.

The Hearing Board shall have the following powers:

- (1) To hear appeals from any person aggrieved by the application of this Ordinance.
- (2) To make rules with regard to conducting its hearings.

- (3) To make such findings of fact as may be required by the application of this Ordinance.
- (4) To decide questions presented to the Board.
- (5) To affirm, revoke or modify the decision of the City of Bethlehem as to the eligibility of a particular property for the Property Tax Abatement as provided for in this Ordinance.
- (6) The Board shall meet upon notice of the Chairman within thirty (30) days of the filing of an appeal and shall render its decision within thirty (30) days after the appeal hearing.
- (7) Every action of the Board shall be by resolution and certified copies furnished to the appellant.
- (8) All hearings shall be public; and the appellant or any other person whose interests may be affected by the matter on appeal shall be given an opportunity to be heard.
- (9) For the purposes of this Ordinance, every action of the Board shall require a simple majority of the members in attendance. Attendance at the hearing by three (3) members of the Board shall be required to constitute a quorum for a meeting and for action on an appeal.

(Ord. 3069 §4. Passed 5/27/86; Ord. 3205 §4. Passed 8/2/88; Ord. 3355. Passed 10/16/90; Ord. 3519. Passed 12/15/92; Ord. 3642. Passed 11/1/94; Ord. 3771. Passed 10/1/96; Ord. 3905. Passed 10/6/98; Ord. 4042. Passed 11/21/00; Ord. 4172. Passed 12/23/02; Ord. 4278. Passed 10/5/04; Ord. 4406. Passed 12/5/06; Ord. 4446. Passed 10/16/07.)

342.08 RULES AND REGULATIONS

The Director of the Department of Community and Economic Development is hereby authorized and empowered to prepare, promulgate and enforce rules and regulations made pursuant to the provisions of this Ordinance. Such rules and regulations shall have the full force and effect of law unless modified, revoked or repealed by Council. (Ord. 3355. Passed 10/16/90.)

342.09 SEVERABILITY.

The provisions of this Ordinance are severable and if any of its sections, clauses or sentences shall be held illegal, invalid or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses or sentences. It is hereby declared to be the intent of Council that this Ordinance would have been adopted if such illegal, invalid or unconstitutional section, clause or sentence had not been included herein.

342.10 CONTINGENCY.

Notwithstanding any other provisions of this Ordinance, this Ordinance shall remain in full force and effect conditioned upon the Bethlehem Area School District, the Saucon Valley School District and the County of Northampton enacting similar ordinances or resolutions with identical deteriorated areas as those designated by the Council of the City of Bethlehem.

(Ord. 3069. Passed 5/27/86; Ord. 3205. Passed 8/2/88; Ord. 3355. Passed 10/16/90; Ord. 3519. Passed 12/15/92; Ord. 3642. Passed 11/1/94; Ord. 3771. Passed 10/1/96; Ord. 3905. Passed 10/6/98; Ord. 4042. Passed 11/21/00; Ord. 4172. Passed 12/23/02; Ord. 4278. Passed 10/5/04; Ord. 4406. Passed 12/5/06; Ord. 4446. Passed 10/16/07.)

342.11 DEFAULT.

Tax abatement under this ordinance shall be available only for those properties for which real estate taxes are promptly paid and discharged when due. Any property that is declared delinquent as established by the statutes of the Commonwealth of Pennsylvania shall lose the LERTA benefits and any and all currently due and future taxes shall be due and payable at the full unabated assessment and tax rate. (Ord. 4446. Passed 10/16/07.)

342.12 APPEAL OF DEFAULT.

Properties that have been declared delinquent may appeal the rescission of the LERTA benefits by providing a written request to the Hearing Board providing a basis for the appeal and the justification for the waiver of the requirements of Section 342.11. (Ord. 4446. Passed 10/16/07.)